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VITAL NECESSITY OF PRELIMINARY INTERNATIONAL
MONETARY CONFERENCE FOR ESTABLISHING THE REL-
ATIVE LEGAL VALUES OF GOLD AND SILVER COIN.

LETTER

FROM

SAMUEL B. RUGGLES

IN BEHALF OF THE

New-York Chamber of Commerce,

TO THE

DIRECTOR OF THE MINT OF THE UNITED STATES.

NOVEMBER 28th, 1876.

[PRINTED FOR THE USE OF THE CHAMBER.]

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1877.

LETTER OF NOVEMBER 28TH, 1876, TO THE DIRECTOR OF THE MINT OF THE UNITED STATES,

FROM

SAMUEL B. RUGGLES,

CHAIRMAN OF THE COMMITTEE OF THE NEW-YORK CHAMBER OF COMMERCE
ON INTERNATIONAL COINAGE.

No. 24 UNION SQUARE,
New-York, Nov. 28, 1876.

MY DEAR DOCTOR LINDERMAN :

Early in September last, I enjoyed the privilege of a full conversation with President GRANT, at Long Branch, in respect to the request made to him by the New-York Chamber of Commerce, in May last, that the Government should take the necessary measures for assembling, within the United States, an International Monetary Conference, for the purpose, among others, of ascertaining and prescribing, as nearly as the case would allow, such relative values between the gold and silver coins of the various commercial Nations, as would permit the free circulation of both. A copy of that request is sent herewith.

I hope that it will not be deemed indecorous to add, that on the occasion referred to, I was deeply impressed by the unerring and characteristic intuition with which the President, dispensing with any elaborate statement or consider-

ation of historical or statistical details, seized at once upon the one, great, central and dominant truth—the indispensable and vital necessity of an International Monetary Conference, which could and would prescribe and fix a just and proper valuation, to serve as a permanent guide for conducting the general commerce of the World.

With the same clearness of vision, the President discerned and admitted the futility and absurdity of any isolated effort of any separate nation, to prescribe and establish such a valuation.

The “Monetary Commission” instituted by Congress, in July last, to ascertain the cause of the recent depreciation of silver, and other kindred matters, has just adjourned from this city, to continue its sessions at Washington until the 15th of January next, when they are to present to Congress a Report of Testimony, which already covers 1,500 pages.

Much of the information thus collected may be very valuable for many purposes, but it is not probable that any facts whatever now exist, or can be adduced, which would induce the President and Congress to dispense with the preliminary necessity of the proposed International Monetary Conference, with its results fully ascertained, before adopting any final legislation in respect to the proposed valuation.

In behalf of the Committee on Coinage of the New-York Chamber of Commerce, (as its Chairman,) I beg to recur to the fact, of which you are undoubtedly well aware, that very active and zealous measures are now in progress in England, and notably at Liverpool, to induce the British Parliament to “take the lead at once” in assembling an International Monetary Conference that shall secure for the British silver coins, at a fixed rate, and without any limit as to amount, a full legal equality with gold coin as legal money and as a legal tender in the payment of all debts, public or private; in a word, to now abolish the standard exclusively of gold, based on the pound sterling, fully established in 1816, and so much cherished throughout the British Empire for the last sixty years.

Similar efforts are also in contemplation to induce the German Empire to revise and reverse its action during the last few years, in establishing its imperial standard exclusively of gold.

France and Belgium have been inundated during the last ten years with a flood of pamphlets more or less fanciful or metaphysical, denying the existence or even the possibility of any "standard of value" whatever resulting from demand and supply, but claiming that any desired monetary *value* of gold or silver, may be created by legislation. Several of the Finance Ministers of France have made unavailing efforts to sustain their silver coin at the price fixed by the law of 1803, notwithstanding a palpable depreciation in market, sometimes of nearly ten per cent., until at last they have been compelled to suspend its coinage, at least for a time.

In the vigorous "Interpellation" of the present Finance Minister, by M. DE PARIEU—the eminent statesman and scholar, justly eulogized as the "protagoniste" of the International Monetary Conference of Paris, in 1867, and rescued by his talents and virtues from the wreck of the Empire in 1870, to fill a seat in the Senate of the present Republic—he indignantly denounces the issue of depreciated silver, as "disloyal" and dishonoring to France. The upright and sagacious men who conduct the Government of the Swiss Confederation, are believed to entertain the same opinion.

As a noteworthy fact for history, it may be added that a letter has recently reached New-York from HENRI CERNUSCHI—one of the most brilliant of the modern monetary writers, known in early life as a political associate of GARIBALDI in Italy, but since removed to Paris, where he is now a distinguished banker—which states his intention to embark for the United States on the 30th of the present month, for the purpose, as is supposed, of impressing on the Government and Congress of the United States, the merits and pressing necessity of "*bimétallisme*"—an imposing polysyllable used to cloak the naked and inherent logical absurdity of a DOUBLE *standard*—as the basis of all the coin-

ages of the civilized nations. With that aim he not only admits, but earnestly asserts the immediate and vital necessity of a general International Monetary Conference.

In a paper read by him at Liverpool, in September last, and there translated into English, he closes with the following glowing strain, tinged, just a little, with the characteristic exaggeration of Southern Europe :

“The monetary mechanism of the world has broken down. We are in full cataclysm. Neither India nor any State can defend itself singly. Either all the States will be restored by means of a general understanding, or none will be so.”

With these evidences of wide-spread, if not revolutionary activity in the monetary circles of Europe, which, in its pecuniary consequences, may largely affect the commercial classes and institutions of the United States, the International Coinage Committee of the New-York Chamber of Commerce will hope to be regarded as not overstepping their legitimate duties, or interfering improperly in public governmental affairs, in now respectfully submitting to yourself, as the official Head of the National Mint, the propriety and importance of your personally conferring with the President before the completion of his forthcoming message to Congress, in December, and of suggesting the peculiar value, at this juncture, of a distinct expression of his opinion of the preliminary necessity of the proposed Monetary Conference.

The urgent necessity for such a Conference, in the present stage of the monetary history of the world, becomes imperative, in view of the momentous fact that the accessions of gold and silver within the last thirty years, beginning in 1845, already exceed the whole quantity produced up to that time since the discovery of America. In presence of these enormous additions, any previous tables of the relative values of the two metals before 1845, become comparatively uninformative and insignificant. It is the present generation, that possesses and controls these vast additions

of gold and silver, which is solely to regulate their distribution and use. The men of the present hour, charged with the rapidly advancing civilization of the human race, have no right to close their eyes on this mighty and pregnant truth, or to remain wedded to the obsolete facts of the past. It is not merely a folly, it is a crime to adhere to any blind, unreasoning idolatry of an abstract ratio, like that of $15\frac{1}{2}$ to 1, locally adopted by France in 1803, in its first attempt to recommence the coinage of gold after emerging from the accumulated and hopeless bankruptcy of the Revolution.

Without adducing the historical examples of the large and perplexing variations from this ratio, experienced in France during the reign of the first NAPOLEON, so clearly stated in the acute and instructive Essays of MICHEL CHEVALIER, it is enough for us of the present day, who have lived nearly through the amazing silver fluctuations of 1876, that we have seen this idolized ratio of $15\frac{1}{2}$ to 1, so absurdly claimed to be immutable, daily sinking downward and downward from $15\frac{1}{2}$ to more than 20 to 1. Surely we can need no further or better instructor to teach us our imperative and solemn duty, manfully to grapple at once with the problem, and after a full and fair examination of all the facts by a competent and impartial Conference of the nations, to extract and deduce that safe and just ratio based on the fundamental and inexorable law of demand and supply, as omnipotent in the political economy of the world, as the law of gravitation in its physical system.

We cannot but indulge the hope, that the enterprising and sagacious owners of our silver mines will perceive that this very ratio, to be thus prescribed for all the silver coinages of the world, will practically and largely create that very element of ADEQUATE DEMAND so vitally needed, and thereby furnish the true and only key for solving the problem now agitating the world.

The comprehensive nature of this important theme is further shown in the necessity of accurately ascertaining the production and distribution of all the gold and silver in all the civilized nations of the earth ; not only in European

and American Christendom, but in the Oriental countries on the Eastern waters of the globe, all of which are now united by steam navigation on the oceans, in one common, monetary "solidarity." Surely such a subject could not be adequately examined and discussed with any practical, permanent results, by any isolated nation, nor indeed without the combined action of at least a large majority of all entitled to be represented.

It is a fortunate circumstance that the responsible task of collecting and preparing the general statistics needed in this examination, has been undertaken by the British Government, in view of the monetary interests of the United Kingdom and its Empire of India. The clear and carefully considered Report, made in July last, by the Committee of the House of Commons, of which the Right Honorable Mr. GOSCHEN is Chairman, with the "Testimony" annexed, shows the amount of gold coin now existing to be £750,000,000, or \$3,750,000,000, and of silver to be £650,000,000, or \$3,250,000,000. It also strikingly shows the great perturbations in the British monetary circles, produced by the recent depreciation of silver in India and China, which countries are stated, in an Appendix attached to the Report, to have received from England and France, during the last twenty-four years, *one hundred and ninety-nine millions* of pounds sterling in silver, being very nearly one thousand millions of dollars. The International and world-wide Conference for fixing the relative values of silver and gold, will necessarily survey and take into full consideration the monetary condition and necessities of the vast portion of the Oriental and Australian World now under British rule, already peopled by nearly, if not quite two hundred millions of inhabitants, and steadily growing not only in numbers but in some of the higher industries of civilized man.

It may also be well expected that the Netherlands, in view alike of their constant accumulations of capital at home, and of their precious and well-governed possessions in the large and fruitful island of Java and the fragrant archipelago of the Moluccas, so largely tributary to the

general commerce of the world, will take a prominent part in the proposed Conference.

The New-York Chamber of Commerce, in obedience to the special injunction of its ancient charter, in 1770, "to promote, extend and encourage commerce by all lawful ways and means," fully recognises the importance and value to the civilized world of a uniform and well-regulated coinage of silver, if established at a just valuation, after a careful examination and consideration of all the facts ; and will cheerfully give to any matured measure for securing that result, which may be recommended by the existing Commission, full and respectful attention.

With high regard, very truly yours,

SAMUEL B. RUGGLES,

*Chairman of the Com. of the N. Y. Chamber
of Commerce on International Coinage.*

DR. HENRY R. LINDERMAN,

Director of the Mint of the United States.

The foregoing letter was submitted to the Chamber of Commerce at the monthly meeting, held Jan. 4, 1877, and unanimously adopted.

Mr. FREDERICK A. CONKLING thereupon offered the following resolutions, which were unanimously adopted :

Resolved, That 1,000 copies of the letter be printed for the information and use of the Chamber, and that copies be sent by the Secretary to the President of the United States and to the members of each House of Congress.

Resolved, That the Chamber hereby respectfully renews its recommendation and request made in May last, that the Government and Congress, in their discretion, institute the necessary measures for convening an International Monetary Conference, to fix the relative values of gold and silver coins.

NOTE.—December 11, 1876.—In printing the preceding letter, with some revision, for the information and use of the New-York Chamber of Commerce, it is proper to state that the letter was not submitted to the President by Dr. LINDERMAN, he having left Washington for the Pacific Coast on the 8th of November. His Annual report to the Secretary of the Treasury, presented in November, recommends that the United States participate in the proposed Monetary Conference “whenever called upon.” After fully surveying the various monetary standards of the world, he predicts that the problems for solution by the Conference will “tax to the fullest extent, the wisdom of the statesmen, and the learning of the economists of Europe.”

